

CERTIFIED MAIL

JUN 18 1984

Dear Applicant:

We have completed our review of the application for recognition of exemption under section 501(c)(6) which you recently filed.

The evidence submitted indicates that you were formed [REDACTED], under the laws of [REDACTED] as an organization of [REDACTED] Professionals who use and/or are interested in the use of [REDACTED] computers.

The purpose of your organization is to provide a forum for the exchange of ideas, information, techniques, applications and software. Your activities include dinner meetings, technical and professional presentations and holding an annual convention featuring technical and managerial seminars and vendor presentations showing all aspects of the data processing environment.

Income to your organization is primarily from membership dues and sales. Expenses are for meetings and administrative items.

Section 501(c)(6) of the Internal Revenue Code provides for the exemption from Federal income tax of business leagues not organized for profit, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(6)-1 of the Income Tax Regulations defines a business league as an association of persons having some common business interest, the purpose of which is to promote such common interest. Its activities should be directed towards the improvement of business conditions in one or more lines of business as distinguished from the performance of particular services for individual persons.

Revenue Ruling 83-164 states that an organization whose members represent diversified businesses that own, rent, or lease computers produced by a single computer manufacturer does not qualify as a business league under section 501(c)(6) of the Internal Revenue Code. Since the organization did not meet the line of business requirement of section 501(c)(6). When an organization directs its activities only to users of a single brand of computers, the organization is directing its activities towards the improvement of business conditions in only

Code	[REDACTED]	Reviewer	[REDACTED]	Reviewer	Reviewer	Reviewer	Reviewer
Surname	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Date	6-12-84	6/13/84	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

segments of the lines of business to which members belong and thereby helps promote a competitive advantage at the expense of other manufacturers and their customers.

In National Muffler Dealers Association vs. United States, U.S.T.C. 9756, 565 F. ed845, a trade association of muffler dealers that confined its membership to dealers franchised by a particular company rather than representing dealers from the muffler industry as a whole was denied exemption under section 501(c)(6).

Some of the activities described in your application are similar to those of a business league. However, since your membership is restricted to users of a particular brand of computers and because your organization only disseminates information about a computer produced by one manufacturer, you are not entitled to exemption under section 501(c)(6) since you do not meet the line of business requirement of this section.

You are required to file Federal income tax returns on Form 1120.

You have the right to appeal our determination if you believe it is incorrect. To appeal, please refer to the enclosed Publication 892.

If you do not appeal this proposed determination within 30 days from the date of this letter, this action will be final.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

[REDACTED]
District Director

Enclosure:
Publication 892

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Surname							
Date							